

LETTER

FROM

THE SECRETARY OF STATE,

TRANSMITTING INFORMATION

In relation to the state of the Commercial Relations,

(AS THEY AT PRESENT EXIST,)

BETWEEN

THE UNITED STATES

AND

THE KINGDOM OF THE NETHERLANDS.

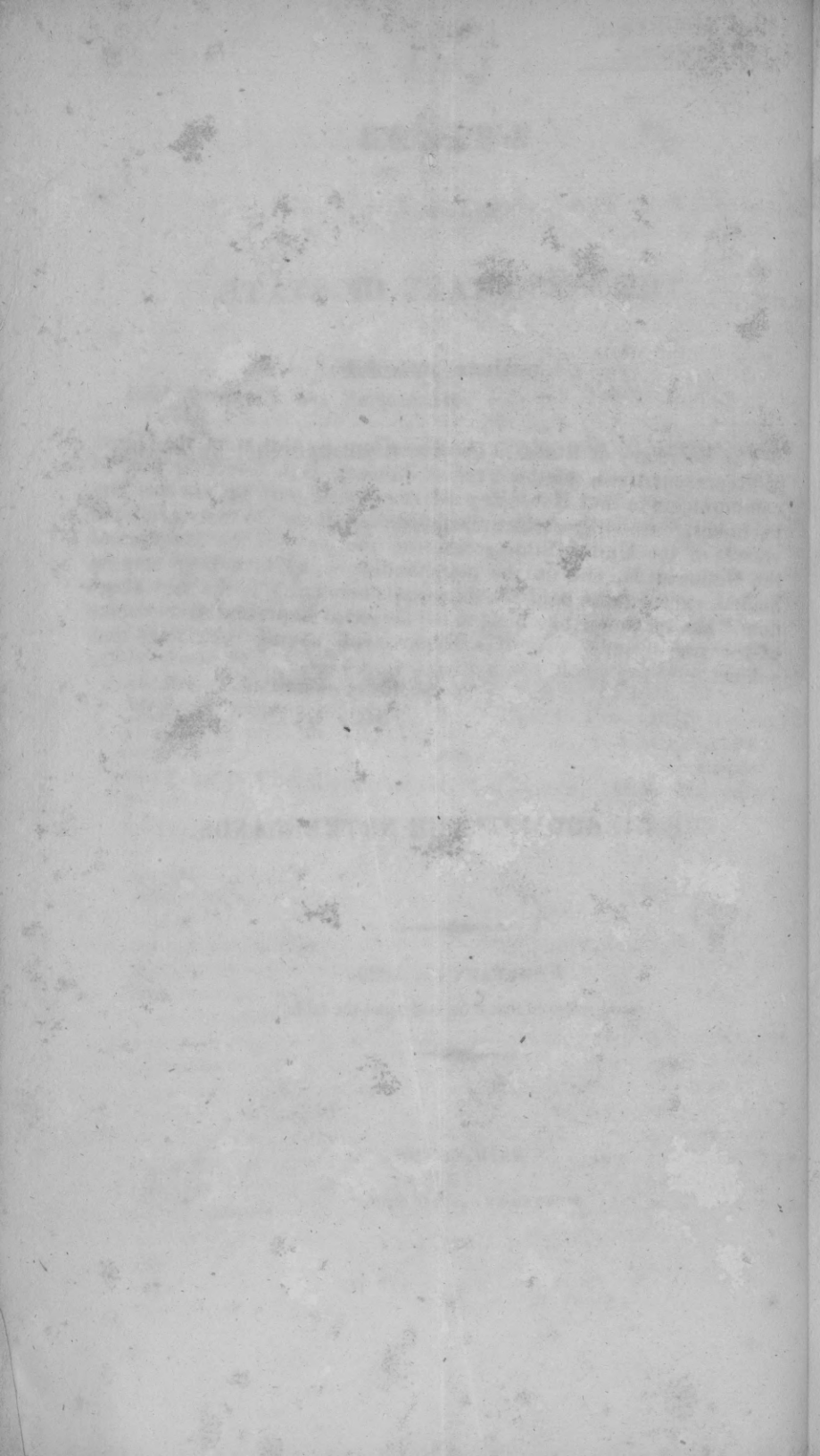
FEBRUARY 11, 1825.

Read: ordered that it be laid upon the table.

WASHINGTON :

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1825.



DEPARTMENT OF STATE,

Washington, 10th February, 1825.

The Secretary of State, in obedience to a resolution of the House of Representatives, of the 21st of January last, directing him to communicate to that House any information he may have in this Department, "showing whether the duties levied on the tonnage of the vessels of the United States, entering the ports of the kingdom of the Netherlands, and on the merchandise with which they may be loaded, exceed those paid by the vessels belonging to the said kingdom," has the honor to submit to the House of Representatives copies of the correspondence in this Department, having relation to that subject.

Respectfully submitted,

JOHN QUINCY ADAMS.

LIST OF PAPERS.

- No. 1. Mr. Everett to Mr. Adams, No. 102, 17th March, 1823, extracts.
2. Same to Baron de Nagell, 7th March, 1823, copy.
3. Same to Mr. Adams, No. 105, 1st June, 1823, extract.
4. Baron de Nagell to Mr. Everett, 10th March, 1823, Trans.
5. Same to same, 27th May, 1823, same.
6. Mr. Everett to Baron de Nagell, 31st May, 1823, copy.
7. Mr. Adams to Mr. Everett, 9th August, 1823, copy.
8. Mr. Everett to Mr. Adams, No. 107, 11th Nov. 1823, copy.
9. Same to Baron de Nagell, 5th November 1823, copy.
10. Same to Mr. Adams, No. 110, 21st February, 1824, copy.
11. Same to Chevalier Reinhold, 20th February, 1824, copy.
12. Chevalier Reinhold to Mr. Everett, 20th Feb. 1824, Trans.
13. Mr. Everett to Mr. Adams, No. 111, 23d March, 1824, extract.
14. Same to Chevalier Reinhold, 22d March, 1824, copy.

No. 1.

Extracts of a letter (No. 102) from Mr. Everett, to Mr. Adams, dated

BRUSSELS, 17th March, 1823.

"I have the honor to enclose copies of two notes, which I have lately had occasion to address to Baron de Nagell, and of his answer to them."

"The reply to my application in regard to the difference in the duties imposed upon goods imported in national and foreign vessels, is merely an acknowledgment of the receipt of the note. As the principal object of the new financial system is to encourage the commerce and navigation of this country, it is perhaps hardly to be expected that the exception which I have suggested in favour of the United States, will be admitted. If it is not, a partial repeal of the law of the 20th of April, 1818, will probably be thought necessary. But, as this measure cannot be taken till the meeting of the next Congress, there will be ample time in the interval to receive the definitive answer of this Government."

"A separate discriminating duty in favour of national vessels has also been imposed, since the commencement of this year, upon the importation of coffee from Batavia, which is to be in force until the end of 1824."

No. 2.

Mr. Everett to the Baron de Nagell.

BRUSSELS, March 7, 1823.

SIR: The new Tariff, which has recently gone into operation, contains several articles affecting the commercial relations between this country and the United States. I think it my duty to invite your Excellency's attention to these articles, and to point out the manner in which they will operate upon the American trade.

Your Excellency will recollect, that the government of the United States, by the law of the 20th of April, 1818, extended to the ships of the Netherlands, arriving in the ports of the Republic, nearly the same privileges that are enjoyed by our own. They pay the same tonnage duty, and also the same duties on their cargoes, as far as these consist of articles, being of the growth or manufacture of the Netherlands, or of such neighboring countries as usually ship their products from the Dutch ports. These privileges were granted to the commerce of the Netherlands in consequence of the adoption, in this kingdom, of the law of October 3, 1816, which abolished the discriminating tonnage duty, and of the understanding that there was

no other discriminating duties in force. If any change were to take place in the laws of this kingdom, in either of these respects, the natural consequence would be a corresponding change in those of the United States.

I regret to find that the new financial system appears to contemplate some important alterations of this description. Several articles of the tariff establish a difference of duties in favor of goods imported in Dutch vessels: and the law of the 26th August, 1822, creates, in the form of a drawback, a general discrimination to the same effect; the tenth article being as follows: *One tenth of the duties paid upon the importation, or exportation, of all goods, shall be returned when the same are imported, or exported, in Dutch vessels, excepting those articles, of which the importation and exportation in Dutch vessels, are otherwise specifically favored by the tariff.*

It has always been the wish of the government of the United States, to lend its aid in placing the commerce of the world upon the most liberal footing. With this view, it was proposed to all the powers of Europe, soon after the close of the late wars, to abolish, mutually, all discriminating duties on tonnage; and the proposition having been, in substance, accepted by the government of the Netherlands, the arrangement took effect between the two countries. As it was also understood that no other discriminating duties existed, a similar regulation was established in favor of goods imported, in Dutch vessels, into the United States. It is obvious, however, that these privileges cannot be continued upon any other principle than that of reciprocity. It would not suit, either with the honor or interest of the United States, that the merchants of the Netherlands should enjoy, in our ports, the same advantages with native citizens, while our merchants were subjected, in this country, to unfavorable discriminations. If this government is resolved to abandon the equalizing system, which led to the enactment of our law of April 20, 1818, the immediate and necessary consequence will be, the repeal of that law, as far as it applies to the vessels of the Netherlands.

I must, therefore, take the liberty of requesting your Excellency to inform me, whether it is the intention of the government of this country, that the new principles, introduced by the late tariff, shall be applied to the American trade. The government of the United States has no wish to interpose, in any way, with the policy of the Netherlands; and has never sought, or accepted, exclusive or onerous commercial advantages in the ports of any nation. The liberal system which has lately prevailed, in the intercourse between the two countries, was regarded as mutually beneficial, and as conformable to the general spirit of the administration of both. I assure your Excellency, that my government would regret to find itself compelled to depart from this system; and I venture to hope that you will furnish me with such explanations as may shew that a measure of that kind will not be necessary.

I have the honor to be, With high respect, Sir,

Your Excellency's obt. servt.

A. H. EVERETT.

No. 3.

Extract of a letter (No. 105) from Mr. Everett to Mr. Adams, dated,

BRUSSELS, June 1, 1823.

“ I transmit, herewith, copies of an answer from Baron de Nagell, to my note of the 7th of March, respecting the discriminating duty established by the new provincial system, and of my reply.”

No. 4.

Baron de Nagell to Mr. Everett.

[TRANSLATION.]

The undersigned, Minister of Foreign Affairs, being eager to lay before the King the note which Mr. Everett, *Chargé d' Affaires* of the United States of America, sent him, of the 7th of this month, has the honor of informing him, that the observations which it contains on the new system of imposts of the kingdom of the Netherlands, as far as it applies to the commerce of the United States, shall be immediately taken into grave consideration.

The undersigned flatters himself with being shortly enabled to give to Mr. Everett the desired explanations on this subject, and embraces this occasion to renew to him the assurance of his distinguished consideration.

A. W. C. de NAGELL.

Brussels, 10th March, 1823.

No. 5.

Baron de Nagell to Mr. Everett.

[TRANSLATION.]

The new system of duties introduced in the Kingdom of the Netherlands, having naturally appeared to the Government of the United States of America to produce a change in the commercial relations between the two countries, Mr. Everett had thought it his duty to demand, by the note which he had done him the honor of addressing to the undersigned Minister of Foreign Affairs on the 7th of March, last, explanations proper to tranquillize in this regard the Government of the United States, or to direct its future conduct.

The King has just authorized the undersigned to give here the explanations desired.

The 10th article of the law which precedes the new tariff of duties of entry and clearance, is the argument upon which Mr. Everett founds his representations. This article grants a drawback of ten per cent. of the duties on merchandise imported or exported by the vessels of the Netherlands; now, as, by an act of Congress of the United States of 20th April, 1818, all difference of treatment between the ships of the Netherlands and America has been abolished, founded upon this, that in the kingdom of the Netherlands the flag of the United States enjoyed the same advantages as the national flag; the new disposition of the tariff appears to Mr. Everett to be in opposition to the principle of reciprocity.

The answer is found in the aim of this disposition, which does not appear to have been well understood.

By the laws of 12th June, 1821, and 10th August last, the duties remain, without distinction, the same for foreign ships and for national. This restitution of a tenth for the merchandise imported by the ships of the Netherlands, has done no more (as the 11th article of the law of the 12th July, 1821, expresses it) than to give encouragement and proper aid to the works of the nation. This restitution therefore supplies the place of the premiums of encouragement which the Government might have granted to every ship built in the Netherlands; a disposition which certainly never could have given room to the American Government to complain of an inequality of treatment in respect to the ships. If the government of the United States had found it good to grant a similar premium to the American ships, surely the King could have found in that no cause of remonstrance. His Majesty would have only seen in it a bounty intended to encourage, or to favor, the manufactures of the nation.

Although the Government of the Netherlands might confine itself to this explanation, the undersigned has, nevertheless, been charged to take advantage of this occasion to examine the question more thoroughly. In approaching it with frankness, it will be easy to find, in the conduct of the United States, the justification of what is charged upon the Government of the Netherlands.

After the negotiations begun at the Hague, by the respective Commissioners for a treaty of commerce, were interrupted, the act of Congress of 20th April, 1818, was passed. In the course of these negotiations, observation was made to the American Commissioners of the liberality of the Government of the Netherlands in its relations with America, and an attempt was made to convince them that at all times the American flag had been more favored here than the flag of the Netherlands had been in America.

Such are apparently the reports of the American Plenipotentiaries, as well as the representations of the Chargé d' Affaires of His Majesty at Washington, which produced this act of 20th April, 1818, by which that of 3d March, 1815, concerning the general, but conditional abolition of *discriminating* duties has been rendered applicable, and even amplified, to the flag of the Netherlands. As long as

this state of things exists, the explanations demanded in the official letter of Mr. Everett may appear proper.

But can Mr. Everett be ignorant that his Government is upon the point of revoking the prolongation of these advantages? and that an act of the 3d March, 1819, decrees that the two acts before cited (that of 3d March, 1815. and of 20th April, 1818.) shall cease to be in force at the date of 1st January, 1824? and that, in consequence, the equalization of duties of entry and clearance, and the duties of tonnage of vessels under the flag of the Netherlands, in the different ports of the United States, will no more continue after that time? His note would cause the presumption that he had no knowledge of it; otherwise, we may be allowed to believe that he would not have addressed it. It is, doubtless, a matter of surprise, that he has not been informed of a disposition which so essentially changes the state of affairs; but, although it do not belong to this article, it is sufficient that it is impossible for the Government of the Netherlands to call in question the existence of this revocation, for having a ground upon which the commercial relations with the United States are to be found, and to know which of the two Governments has made the commencement.

The discussion of the causes which can have determined the American Government to revoke, from the beginning of the following session of Congress, the act of 20th April, 1818, is unknown to the Government of the Netherlands. No conjecture will be permitted, if the measure, in place of being specially directed against the commerce of the Netherlands, do not rather announce a complete alteration of system.

The deliberations of Congress in the Fall, will resolve this problem; but, in the mean time, the certain prospect of losing the advantages assured by the act beforementioned, to our commerce or to our navigation, alone serves as a sufficient cause for preventing the Government of the Netherlands from establishing any exception in the new tariff in favor of the American flag.

The undersigned has the honor to renew to Mr. Everett the assurance of his distinguished consideration.

A. W. C. de NAGELL.

Brussels, 27th May, 1823.

No. 6.

Mr. Everett to the Baron de Nagell.

BRUSSELS, May 31, 1823.

SIR: I have just received your Excellency's answer to the note which I had the honor of addressing to you on the 7th March, upon the subject of some of the provisions of the new tariff, and learn, with

regret, from this communication, that it is the King's intention to enforce these provisions against the commerce of the United States. I shall immediately transmit your reply to my Government, who will judge how far the new policy of this country is justified by the arguments you allege in its favor, and what measure it may be expedient for them to adopt under the circumstances of the case.

Without pretending to anticipate the decision of the President and Congress of the United States, upon this subject, I think it my duty to add here a few short remarks, relating chiefly to the latter part of your Excellency's note, in which you dwell upon the effect of the act of March 3, 1819. You appear to consider this act as a definitive repeal of the two former laws on the same subject, and looking at it from this point of view you naturally conclude that it forms of itself a complete reply to the reasoning in my note, and that, because I did not mention it, I could not be aware of its existence. The act is a document of public notoriety, and is printed in the collection of the laws of the United States, with the other laws which I had occasion to quote. It produced no material effect upon the relations between the countries, and did not therefore require to be mentioned in the course of my remarks upon the subject. I rather regret, however, that I had not attended to it, and explained its operation, inasmuch as the construction given to it by your Excellency, though erroneous, was natural enough in a foreigner unacquainted with the forms of our legislation, and seems to have had an unfavorable influence upon the whole tenor of your reply.

The object of this act, which wears the shape of a repeal of the two former ones, was to fix a time when the subject should be taken up again in Congress. A limitation of this sort is with us, annexed to almost all new laws of much importance, and often makes a part of them. It furnishes, therefore, in this case, no proof of an intention to change the system: and as the laws and negotiations of the United States, subsequent to its adoption, prove on the contrary their disposition to adhere to it, there is little or no reason to doubt that the result of a reconsideration of the subject, will be to re-enact the law, with such alterations as may appear expedient. Among these alterations will probably be, the repeal of the privileges granted by the act, to any powers which may have subsequently withdrawn the corresponding privileges, formerly allowed by them to the citizens of the United States. Hence, the only effect of this act, upon the relations between those states and the Netherlands, will be to fix the time when the American Government will probably remodel their system, in conformity to that which may be in force here: and if the King is really desirous to continue those relations upon their present footing, the act of March 3, 1819, instead of operating as an objection to the allowance of an exemption to American vessels, from the effect of the new tariff, would serve, on the contrary, as a reason for taking such a measure with the least possible delay.

Such are the remarks which I have thought it my duty to commu-

nicate to your Excellency, in relation to the act of March 3, 1819. The other part of your answer, which treats more directly the points in question, would also admit of some objections. You intimate that, provided the duties levied upon foreigners and native citizens, are nominally the same, a Government may allow a drawback in favor of the latter, without subjecting itself to the charge of partiality. This distinction seems, however, to be more formal than real: and if the foreigner actually pays in any way ten per cent. more than the citizen, it would be rather difficult to prove that they are placed upon an equal footing; or in other words, that they pay the same. Your Excellency also remarks, that the discrimination established by the new law, in favor of the subjects of the Netherlands, is justifiable, on account of its object, which was to encourage the navigation of the country. In regard to this point, I must take the liberty to suggest, that the end, supposing it to justify the means, does not change their character, nor in this instance, prove that a discrimination in favor of citizens is consistent with perfect impartiality between citizens and foreigners. The American Government had in view the same object, viz: the encouragement of the navigation of their country, in establishing a discriminating tonnage duty in favor of our own vessels: but they certainly never thought of maintaining that the foreigners, against whom this discrimination operates, are as favorably treated in our ports as the citizens of the United States; or of claiming, under this pretence, an impartial treatment for the latter in the ports of such foreigners.

I must, however, beg your Excellency, in conclusion, not to consider these new remarks as intended for the purpose of urging very strenuously upon the Government of the Netherlands, a compliance with the proposition contained in my note of the 7th of March. My principal object has been to explain one or two points in that communication, which you seem to have misunderstood. The people of the United States are too well satisfied with the goodly heritage which the bounty of Providence has allotted to them; and too abundantly supplied from their own territories with the best products of almost all climates, to solicit very anxiously of any foreign power the concession of favors, commercial or political. In proposing to other nations to open to them, on a footing of equality, the immense and various resources of our vast Republic, they conceived themselves to be acting for the good of those nations and of humanity, as well as for their own. If the King does not deem it expedient for himself or his subjects to accept this offer, the Government of the United States, without complaining of his refusal, and without suffering much from it, will, doubtless, regret that the views of so enlightened a monarch upon a great question in political economy should be different from their own.

I have the honor to be, with the highest respect, sir,

Your Excellency's very obedient servant,

A. H. EVERETT.

No. 7.

*Copy of a letter from the Secretary of State to Mr. Everett, Charge
d'Affaires of the United States to the Netherlands.*

DEPARTMENT OF STATE,
9th August, 1823.

SIR: Your despatches, to No. 105, inclusive, have been received, and your letters marked private, to No. 27.

The object requiring most immediate attention is your correspondence with the Baron de Nagell, concerning the law of the Netherlands, of the 26th of August, 1822, establishing a *drawback* of one-tenth of the duties upon merchandise exported or imported in national vessels, and referring to other *favours* to the national flag, in the general law, and in the tariff.

The view you have taken of both parts of the agreement, in the Baron de Nagell's note of the 27th of May, is approved, and leaves me little to say in addition to it. From the strenuous manner in which the Baron urges the act of Congress of the 3d March, 1819, in justification of the new discriminations in the law of the Netherlands, it is apparent that he places little reliance upon the other part of his note. The object of *all* discriminating duties is to favor the national shipping and ship-building interest; and whether in the shape of additional impost, of tonnage, of drawback, or of bounty, they are alike felt in the competition of navigation, and alike incompatible with the principle of equal privilege and burden. It will be proper, therefore, explicitly to state, that the case hypothetically stated by the Baron de Nagell, of a bounty upon ship-building, is considered by this Government as much within the principle of discriminating duties as a direct tonnage duty, and equally at variance with the system of equalization established with a mutual understanding between the United States and the Netherlands, by reciprocal acts of legislation.

The limitation prescribed by the act of Congress of 3d March, 1819, was, as you have observed, no intimation of an intention on their part, to abandon the system. The act of 3d March, 1815, was an experimental offer, made to all the maritime nations: it was, in the course of the same year, accepted by Great Britain, confirmed in the form of a convention. A similar effort was made with the Netherlands in 1817, but without success; but the principle of equalization was established by corresponding legislative acts. The Hanseatic cities and Prussia, successively acceded to the same system, and, as well as the Netherlands, required an extension of the equalizing principle offered by the act of Congress of 3d March, 1815, to merchandise of the growth, produce, or manufacture, of countries, other than that to which the vessel should belong; but, usually, first exported from thence. In conceding this extension of their first offer to the cities of Hamburg and Bremen, and to Prussia, after having yielded it to the Netherlands, Congress thought proper to fix a time for a deliberate revision of the whole system; and, therefore, limited the duration of all the laws relating to it, to the first of January, 1824. But neither Congress, nor the Executive Government, have manifested any intention to

abandon the system. The President has, on the contrary, more than once, expressed the favorable view in which it is considered by him, and particularly in his message to Congress, at the opening of the session, on the 3d December, 1821.

The whole subject will, undoubtedly, be one of the first objects of deliberation at the ensuing session of Congress. There is no reason to doubt that the existing equalization with regard to the Netherlands would be continued, but for the change which has been made on their part. A declaration from that Government that the discriminations against which you have made representations, have not been, and will not be, applicable to the United States, so long as the vessels of the Netherlands, in the ports of the United States, shall continue to enjoy the equalization secured to them by the acts of Congress of 3d March, 1815, and 20th April, 1818, will supersede, without doubt, all change of the existing regulations here, favorable to the navigation of that country. It is very desirable that you should obtain such a declaration in time to forward it, so that it may be received here by the first Monday in December, when the session of Congress will commence, or as soon after as possible. The act of Congress on the revision of the system, will probably pass in the course of that month.

In the Baron de Nagell's note mention is made of three laws of the Netherlands, in relation to this subject, of the 12th of June, and 12th of July, 1821, and of the 10th of August, 1822. I will thank you to send me copies of all these acts, in French, and also of the law of the 26th of August, 1822, and of the new tariff.

I am, with great respect, sir,

Your very humble and obedient servant.

JOHN QUINCY ADAMS.

ALEXANDER H. EVERETT, Esq.

Chargé d'Affaires U. S. to the Netherlands.

No. 8.

Mr. Everett to Mr. Adams—No. 107.

BRUSSELS, Nov. 11, 1823.

SIR: Your despatches of the 8th and 9th of August, which came under the same cover, were received on the first of November. Agreeably to your instructions, I immediately addressed notes to the Baron de Nagell upon the subjects of both, copies of which are enclosed. I have requested an early answer respecting the discriminating duty; but there is very little chance of obtaining it in time for it to be known at Washington before the new law is passed.

The laws of July 12, 1821, and August 26, 1822, are the only ones quoted by the Baron de Nagell in his note of May 27. The appearance of a different date in one of the passages, in which

they are alluded to, arose from an accidental error of the clerk in the original note, which, it seems, was retained in the hurry of writing, in my copies. The beginning of the fifth paragraph should read, *D'après les loix du 12 Juillet, 1821, et 26 Août dernier, instead of D'après les loix du 12 Juin, 1821, et 10 Août dernier.* The law of the 12th of July, and the tariff of the 26th of August, were transmitted to the Department about the time of their adoption, viz: the former with my despatch, No. 80, and the latter with my letter, marked "private No. 18." The general law of the 26th of August was not sent with the tariff, not being then in print. I have now the honor of sending you copies of both, bound together in a volume. I have made inquiry for the law of July 12, but have not yet been able to procure it; and the copy I have on hand, is bound up in a volume with several other documents, which would be useless at the Department. As soon as I can obtain a copy, I shall certainly transmit it to you. In the mean time, if you should have occasion to consult this law, you may, perhaps, find upon the files the copy which was sent before. It is, however, a mere statement of general principles, preliminary to the laws of August 26, 1822, and contains no regulations whatever, intended for immediate practical effect.

You will observe, that, beside the general drawback of ten per cent. in favor of national vessels, there are discriminations to a similar effect upon several separate articles. The principal of these are tea, coffee, and sugar. The duty on teas is raised by the present tariff; but the discrimination has existed since the year 1817, and does not appear to have been considered as inconsistent with the equalising system, probably because the article is not of the growth of the United States. The discrimination in regard to coffee, established by the general law, article 5, sec. 9, is new; but being in favor of the national colonial trade, is not, perhaps, a fair subject of complaint. The additional duty on sugar, imported in foreign vessels, is, however, a direct violation of the equalising system; as are, also, those upon one or two other articles of less importance, such as salt, molasses, and wood for building, which, with the three mentioned above, are the only ones in which I have noticed any special discrimination.

A decree has lately been published, offering a bounty of eight florins per ton, on all ships of above three hundred tons burden, built within the country for three years to come. This regulation, which is intended to encourage the building of national ships, and not the trade in such ships after they are built, is, of course, no violation of the equalising system. I have thought, since this decree made its appearance, that a bounty of this kind, must have been intended by the Baron de Nagell in his note of May 27; as the distinction between the effect of a bounty on transportation in national ships, and a formal discrimination in the duties, seems to be really too absurd to be taken in earnest by any man of common sense. If the Baron meant by his *prime d'encouragement*, a bounty on ship building, it is true, as he says, that such a bounty would form no subject of complaint: but this fact does not strengthen his argument, because, such a bounty has no

analogy whatever to the drawback on goods imported in national ships. I should, perhaps, have introduced this idea in my note of the 5th, but I had written and transmitted it before the decree was in print.

I have the honor to be, with high respect, sir,

Your most obedient, and very humble servant,

A. H. EVERETT.

Hon. JOHN QUINCY ADAMS,

Secretary of State.

No. 9.

Mr. Everett to the Baron de Nagell.

BRUSSELS, Nov. 5, 1823.

SIR: I have the honor to inform your Excellency that I have just received the instructions of my Government, in regard to the subjects treated of in my note of the 7th of last March. I am directed to communicate to you, for the information of His Majesty, the President's views respecting that affair.

My object in the note just mentioned, was to remonstrate against certain parts of the new financial law, which appeared to me to infringe the system of impartiality, that has formed for some time past the basis of the commercial relations between the United States and the Netherlands; and, I specified particularly, the tenth article of the law of the 20th of August, 1822, which establishes a drawback of ten per cent. of the whole amount of duties in favor of goods imported in Dutch vessels. Your Excellency did me the honor to state in reply, in your note of the 27th of May, that these distinctions were justifiable on the ground of their patriotic design, which was no other than to afford a suitable encouragement to the shipping of the country. You remarked, that a drawback in favor of the citizen, was not equivalent in principle, to a formal discrimination against foreigners, but rather to a bounty—a measure not inconsistent, in the view of His Majesty's Government, with a system of perfect impartiality between citizens and foreigners; and you added in conclusion, that, supposing the article in question to be really inconsistent with such a system, the Government of the United States would still possess no right to demand their repeal, inasmuch as they had already, by their act of March 3, 1819, revoked their own former laws in favor of the commerce of the Netherlands.

As your Excellency insisted a good deal upon this last point, and expressed some surprise that I had not alluded in my note to this act of 1819, I thought it my duty to inform you at the time, by my answer of May 31, that the law in question was intended merely to determine the period at which the subject should be taken up again

in Congress, and that the Government of the United States had no design of abandoning the established system. I added, that the distinction pointed out by your Excellency, between the different modes of favoring the shipping of a country, did not appear to me to be strictly just, and that, if foreigners really paid ten per cent. more than subjects, it was of little importance to them, whether they did it in one form or another. Confining myself to these remarks, I referred the matter to my Government for decision, and transmitted to Washington the correspondence that had passed.

I have now the honor of informing your Excellency, by direction of the President, that he has learned with much regret, the intention of His Majesty's Government to alter the liberal system which has been in force for some time past, and which was considered as beneficial to both parties, and conformable to their general principles of administration.

As to the reasoning, by which your Excellency justifies this change, in your note of the 27th of March, my Government confirms in general, the remarks which I had made in reply to it, in my communication of the 31st of the same month. The President cannot admit the correctness of the distinction between the effect of a bounty or a drawback, and that of a formal discrimination. He thinks, on the contrary, that impartiality is at an end whenever the foreigner finds himself in any way less advantageously situated than the native; and is rather surprised, that the Government of the Netherlands should question a principle which appears so perfectly evident. And, as your Excellency seems to have taken it for granted, that the Government of the United States would not have considered a bounty on the transportation of goods in Dutch vessels, as any violation of the equalising system, I am authorized to assure you explicitly, that, in the view of the American Government, such a measure would be entirely inadmissible, being equivalent in principle, as it is in effect, to a formal discrimination.

The patriotic intention of his majesty's Government, in adopting these measures, is highly honorable to the character of the king and his ministers; but cannot, certainly, be understood to reconcile contraries, or to prove that discriminations in favor of native citizens are consistent with a system of impartiality between citizen and foreigner. The encouragement of the national industry is, doubtless, with enlightened governments, the principal object of all commercial regulations; and, in seeking to effect this object, each government adopts the policy which appears to suit best with its particular position. Some nations attempt to include the competition of foreigners, by [placing] them higher than citizens', and by granting bounties to the latter; while others, on the contrary, endeavor to make their dominion the marts of general commerce, and hold out every possible inducement to foreigners to frequent their ports. This latter policy was formerly preferred in the Netherlands, at the time when Bourges, Antwerp, and Amsterdam figured, in succession, with so much brilliancy, at the head of the industry and commerce in Europe: and it seems, in fact, to agree

(taxing?)

very well with the situation of a country of limited extent and dense population—watered by numerous rivers, that connect it with the more productive parts of Europe, and embosomed in seas that afford an easy intercourse with all the rest of the world. Both these systems, however, have their peculiar advantages; and each supposes alike, on the part of the administration, the intention to encourage national industry, and promote the public good. But, were it even admitted that the exclusive policy were more advantageous, and, consequently, more patriotic than the liberal one, it would still be not the less certain that the two are essentially different; and that partial measures, however patriotic they may be, can never be impartial. Your Excellency remarks, in your note of the 27th of May, that the bounties and drawbacks allowed to the subjects of the Netherlands, furnish the American Government with no just ground of complaint, *because these measures are intended to protect and encourage the shipping of the country.* But however just and laudable this design may be, in itself, the partial measures adopted in pursuance of it are, unquestionably, fair subjects of complaint with any foreign nation which has a valid claim to be treated on a footing of impartiality.

Having submitted to your excellency, by order of my Government, these additional observations upon the first part of your note of the 27th of May, I am directed to remark further, that the President is disposed to believe and to hope that the change of system which has taken place, has been owing, chiefly, to a misunderstanding of the object of the act of March 3, 1819. In regard to this point, I am now authorized to assure you, explicitly, in the name of my Government, as I have done before in my own, that the object of the act was, simply, to fix a time when the subject should be re-considered in Congress, and that the Government has no intention, whatever, to abandon the system. The acts and negotiations that have taken place, since its adoption, and the messages addressed, by the President, to Congress, in particular that of December, 1821, attest the steady disposition of the administration, in all its branches, to maintain this course. The laws, which expire at the end of the year, will be doubtless re-enacted, with such modifications as may appear expedient; and if one of these modifications should be the omission of the name of the Netherlands from the list of privileged nations, the change will be owing, entirely, to the new regulations contained in the Dutch law, of August 26, 1822.

The American Government is, however, inclined to hope, that this retaliatory measure will not be necessary; and that, if the act of March 3, 1819, has been explained to the satisfaction of his Majesty, he will re-consider the provisional decision, announced in your Excellency's note, of the 31st of May, and restore to the American trade the privileges which it has heretofore enjoyed. Should this be the case, I will thank your Excellency to give me as early information of the fact as may be convenient, that I may transmit it immediately to Washington. The subject will, probably, be taken up in Congress before the close of the year; and it is desirable that the king's

final decision should be known previously to the passage of the new law.

Your Excellency will permit me to remark, in conclusion, that the privilege enjoyed by the Dutch flag, of covering the products of Germany and Switzerland, has, also, been extended to the flags of Prussia and the Hanse Towns. As the ports of the Netherlands are more conveniently situated for shipping these products to the United States, it is believed that the greater part of this commerce now takes that direction. If, however, the privilege in question, should be revoked, as respects the Netherlands, and continued to the other, above mentioned powers, there would then be an advantage of ten per cent. in conveying the products of the interior of Europe to the United States, through the ports of Prussia and the Hanse Towns, rather than those of this country: and this difference, in the present state of commerce, would decide the preference. The subjects of the Netherlands will, therefore, lose, by the effects of the new system, not only a considerable advantage in the carriage of their own products, but the profits of a pretty important and lucrative branch of trade which they must now nearly monopolize.

I have the honor to be, with high respect, sir,

Your Excellency's very obedient servant.

A. H. EVERETT.

No. 10.

Mr. Everett to Mr. Adams.—(No. 110.)

BRUSSELS, February 21, 1824.

SIR: I learn from the public papers that a new law has been enacted on the subject of the discriminating duties, and presume that I shall receive a copy of it from you, with instructions to communicate it to this Government. But, as the time of my departure is now pretty near. I thought it advisable, in order to give them an opportunity to deliberate upon the matter before I go, not to wait for this, but to address a note at once to the Minister of Foreign Affairs. I have accordingly sent one, of which I have the honor to enclose a copy. If I should hereafter receive any orders from you upon the subject. I shall give them, of course, the most punctual attention, and take any further measures that they may prescribe.

I have the honor to be, with high respect,

Sir, your very obedient humble servant,

A. H. EVERETT.

Hon. JOHN QUINCY ADAMS,

Secretary of State.

February 24.

Postscript.—Since writing the above, I have received from Mr. Reinhold a preliminary answer to my note, of which I have the honor to add a copy.

No. 11.

Mr. Everett to the Chevalier de Reinhold.

BRUSSELS, February 20, 1824.

SIR: I have the honor to inform your excellency that the privileges granted to the Dutch flag, in the ports of the United States, by the act of the 20th of April, 1818, which expired at the close of the last year, have been renewed by the late law of January 9. As soon as I receive an authentic copy of the new act, I shall take the liberty of sending it to you. You will find in the Brussels Journal of the 16th inst. a French translation, which appears to be correct.

The passage of this law confirms the assurances which I gave to your predecessor, the Baron de Nagell, that the act of March 3, 1819, repealing that of April 20, 1818, was merely formal, and that the Government had no intention to abandon the system. The new act extends the privileges, granted by the former one, to all such foreign powers as may allow the same privileges to us in their ports, and for the same length of time. If any foreign power shall revoke these privileges, our law will cease to have its effect, in regard to such power. Hence, if the Government of the Netherlands shall so modify its new regulations as to make them inapplicable to the American trade, they will thereby retain the advantages they now enjoy in the ports of the Republic. If, on the contrary, they persist in putting these regulations in force against us, the President of the United States is authorized by the law to withdraw these privileges immediately, and to place the Dutch flag upon the footing of that of the least favored nations, by subjecting it to the additional duties that are levied upon foreigners.

As the principal cause, which appears to have occasioned the application of the new rules to the trade of the United States, no longer exists, the American Government have, perhaps, some right to flatter themselves that the effect will cease with it, and that the King will be disposed to continue, or rather to restore the equalizing system. Without entering now into the train of reasoning upon this subject, which I have already pursued at sufficient length in my former notes, I shall content myself upon the present occasion with remarking, that the answer which I may carry to my Government, upon my return to the United States, will probably be regarded as final; and that it would give me great pleasure to be the bearer of one that should

tend, by its character, to strengthen the bonds of amity and good understanding that now so happily unite the two countries.

I have the honor to be, with high respect,

Sir, your excellency's very obedient servant,

A. H. EVERETT.

No. 12.

[TRANSLATION.]

Mr. J. G. Reinhold to Mr. Everett.

SIR: I have taken care to communicate without delay to the Department of Public Industry, the note which you did me the honor to address to me on the 20th of this month, on the subject of the law of the 7th January, by which the Government of the United States has renewed the principal dispositions in favor of the commerce of the Netherlands, from that of the 20th April, 1818, expired on the 31st December last, except the modification, in what concerns the navigation of the Republic, of articles of the new system of impositions in the Netherlands, which establish discriminations against strangers.

I have likewise informed His Majesty, as well of the course which you are about to pursue, as of the consequence which I have provisionally given to it, and I shall not fail, sir, to inform you of the determination which shall be taken in that regard, as soon as I shall be informed of it.

In the mean time, I take this occasion, sir, to renew to you the assurance of my very distinguished consideration.

J. G. REINHOLD.

HAGUE, 20th February, 1824.

No. 13.

Extract of letter from Mr. Everett to Mr. Adams, (No. 111,) dated

BRUSSELS, 23d March, 1824.

“A file of the *Intelligencer* came to hand a few days ago, which contained the new law respecting the discriminating duties. I immediately transmitted a copy of it to the Minister of Foreign Affairs, accompanied by a short note, of which I have the honor to enclose a copy.”

No. 14.

Mr. Everett to the Chevalier de Reinhold.

BRUSSELS, March 22, 1824.

SIR: I have the honor to transmit herewith to your Excellency, a copy of the new law mentioned in my note of the 20th of February. You will perceive that it secures all the privileges granted to the Dutch flag by the act of April 20, 1818, and particularly that of transporting to the United States, upon a footing of equality, the products of the interior of Europe. This provision was, I believe, omitted in the French translation of the act, published by the Brussels Journal.

I have had occasion, in several preceding notes, to offer to the consideration of His Majesty's Government such remarks as I thought would place the subject in its proper light: and I deem it unnecessary to renew the discussion at present. Requesting your Excellency to communicate the enclosed law to His Majesty the King,

I have the honor to be,

With high respect, Sir,

Your Excellency's very obed't servt.

A. H. EVERETT.

